



From the Director's Desk ... Thinking Ahead: 2010 Budgets and Beyond

As we enter 2009, it is clear that it will be a year of challenges for local government. A good portion of HEA1001-2008 will be implemented with major property tax reform in the form of lower circuit breaker caps, a supplemental homestead deduction, senior tax caps, removal of property tax replacement credits, and elimination of permanent homestead credits, certain fund levies and tax rates, and other changes. How these changes will play out remains a mystery to local governments as each finds themselves waiting on final 2008p2009 tax rates that will lead to some answers. Regardless of the outcome, officials continue to search for operating efficiencies, new revenue resources, and any other tool that will provide stability at the local level.

Thinking outside the box is essential. Budgets have been prepared for 2009 and, already, officials find themselves anticipating 2010 outcomes too, as preparation takes on a whole new meaning for next year with further reductions in the circuit breaker caps and potential legislative changes from the current session. It is not too early to think about 2010 budget preparations. Long-term planning gives you an idea of your taxing unit's operating needs and should help you plan ahead with personnel, benefits, and daily operating costs as well as the revenue sources available. Taking this approach allows you to be proactive and to adjust to legislative and other changes rather than react.

Legislative Services Agency recently released an updated circuit breaker report that shows an improved picture for many taxing units when compared to their March 2008 report. Keep in mind, the report reflects estimates based on county data available and assumptions made at the time it was compiled. Taxing units should develop long-term budget strategies that incorporate potential revenue losses from the circuit breaker. Have you looked beyond 2009? If you are interested in scheduling a summer prep session for your 2010 budget, projecting future year's budgets, tax rates, and tax levies, or further analyzing circuit breaker impacts for your taxing unit, please contact mambre@govtconsultingserv.com. GCS can assist you in completing the required budget forms and planning for the future, while taking into account revenue losses from circuit breaker caps.

RevTrak and You

We continue to read about situations when revenues were not timely and accurately deposited into the appropriate funds and, as a result, have been subject to audit exceptions. Just a reminder, **GCS** and **Educational Services Company (ESC)** have partnered with RevTrak to assist local officials with tracking revenues from various sources. This includes property tax payments, court fines, park and recreation activities, planning, zoning, and animal control fees, to name a few. RevTrak enhances revenue collection systems at the local level using a turnkey ecommerce solution through web stores,

ecommerce listing, payment getaways, and merchant accounts--all designed to save you time and money.

RevTrak offers local officials flexibility and the opportunity to increase revenue through:

- Reduced collection problems;
- Creation of an automatic clearinghouse system in your facility with a short turnaround time;
- Discretionary spending;
- Reduced labor costs;
- Increased customer satisfaction; and
- Better internal controls.

RevTrak's "gold" standard from the Payment Card Industry means less time on your end tracking payments and more time planning future activities. If you are interested in discussing how RevTrak can assist you, please contact Melissa Ambre

Protecting Your Insurance Arrangements

As budgets tighten, one of your biggest expenses is insurance. Insurance comes in many forms- short-term disability, long-term disability, life insurance, workers compensation, personal and real property, casualty, and employee health benefits. It is imperative that you have the funds available to cover the cost of such programs. If funds are held by an insurer, you should obtain a current rating for its financial stability, either through Standard and Poor, A.M. Best, Moody's, Finch, or others. If you are self-funded, be sure you are holding funds in a stable investment arrangement. The bottom line is you should ensure the company holding your funds is financially stable.

For those of you questioning what to expect during this economic downturn, some things to keep in mind include:

- Be prepared for additional dependents to be added by current employees. As employment conditions worsen, many families may have to rely on one insurance provider to serve its needs.
- Ensure that all new enrollees meet your enrollment guidelines and deadlines. Each new enrollee, that you allow, has an impact on your budget.
- It is unlikely that a reduced staff results in a reduction in insurance costs, as senior members continue employment, which could result in higher health care claims.
- As staff tightens and tensions run high, remaining staff may choose to have an elective procedure or other service that was put off in the past.
- The greater your insurance costs, the less funds you have available for other expenses.
- Evaluate the relationship between part-time employees and your employer benefits program.

To further discuss your insurance programs or to seek assistance, please contact Melissa Ambre.

Services offered by GCS

GCS is pleased to have expanded our client base over the last year. Our consultants, for the most part, are veterans of state and/or local government. We pride ourselves on our ability to offer practical, sound advice in helping you address issues of importance. We have expertise in the following areas:

Budget Assistance- we can provide hands-on or a secondary review of budget information, including estimating revenues and expenditures, determining levy needs, estimating assessed values, and presenting the budget to the fiscal body and taxpayers.

Budget Training- we will conduct budget training for all local officials in a classroom setting or a hands-on basis. We can help you better understand the local government budget process.

Financial Analysis- We can evaluate your revenue and expenditure history to project your budgets, tax rates, and tax levies for ensuing years. Our analysis is tailored to fit your needs and can be in-depth or a more short-term approach.

Circuit Breaker Analysis- We will conduct parcel level analysis to determine whether or not your community has potential revenue losses. Having this information available helps you make informed decisions as you move forward.

Local Option Income Tax Analysis- We can help you understand and evaluate existing county adjusted gross income tax, county option income tax, or county economic development income tax or the new local option incomes taxes for operating, property tax relief, and public safety and determine what's right for you.

Employee benefits- We will provide advice to your fiscal body on group insurance or GASB 45 requirements. Our knowledgeable staff will examine your employer benefit packages and work with you to insure the program meets your needs.

Special Studies- Thinking about consolidation, annexation, or streamlining processes? Our team can assist you in determining what structure best serves the needs of the community and your operations.

Other services- Our team can assist you with a multitude of projects or issues of concern to you. Contact us by email at mambre@govtconsultingserv.com or by telephone at (317) 663-4400.

New Associates

Governmental Consulting Services is pleased to announce that Ije Dike'-Young has joined us as a Financial Associate. Ije has a Bachelor's Degree in Economics from Earlham College and a MS/MBA from Northeastern University. She is a CPA. Her areas of experience are budgeting, auditing, cash flow management, and financial process/accounting position documentation to name a few. At GCS, Ije will focus on financial analysis, assist with special studies, and serve as a financial advisor for local and school capital projects. She is currently assisting Tom Grabill with projects in Vanderburgh, Johnson, and Marion Counties and assisting Dan Eggermann and Melissa Ambre with projects in Brown, Vermillion, and Bartholomew County.

GCS is also pleased to announce that Deb Wolfe recently joined us and our sister company, **Educational Services Company**, as a Benefit's Consultant. Deb was formerly employed with the Indiana State Teachers Association "ISTA" Insurance Trust Funds as a Field Coordinator. Deb is a licensed agent with experience in all facets of employee benefits. She is particularly strong in the area of health insurance, which will prove beneficial for our clients. Prior to working at ISTA, Deb was the Director of Eligibility and Billing Services for Benefit Systems, Inc.

Across Indiana

Dan Eggermann and Melissa Ambre continue to conduct circuit breaker and local option income tax analysis, fiscal analysis and special studies. Additionally, during the fall both assisted taxing units with excessive levy appeal requests. Staff continues to conduct fiscal analysis for multiple taxing units. Mike Reuter and Melissa Ambre recently conducted training sessions for the Indiana Library Federation and the Indiana Association of School Business Officials.

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